



29 September 2016

**Monthly Economic Report (August 2016)**

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**Mr. Krisada Chinavicharana, Director-General of the Fiscal Policy Office, Spokesperson of the Ministry of Finance** revealed that "The Thai economy in August 2016 expanded from exports of goods which turned to a positive growth. Private consumption expanded due to an increase in farmers' income resulting from higher growth of new motorcycle registrations. Government expenditures expanded as capital expenditures turned to a high expansion. Meanwhile, tourism sector remained surged well as inbound foreign tourists traveled into Thailand continually. However, private investment showed slowing signs." **The details were summarized as follows:**

**Private consumption in August 2016 expanded well particularly consumption of durable goods** as reflected by **passenger car sales** which increased by 8.7 percent per year and **new motorcycle registrations** which highly increased by 21.0 percent per year in Bangkok Metropolitan Region and other regions, and increased in the fifth consecutive month as farmers' income improved reflected by **farmers' real income** which increased by 4.5 percent per year. Meanwhile, **real VAT collection** slightly contracted by -0.4 percent per year due to a contraction in real VAT collection from domestic consumption and import bases. However, people still had confidence in Thai economy as reflected by the **Consumer Confidence Index (CCI)** which moved up to 62.2 points, increased in the second consecutive month and counted as the highest in 5 months. This would result in the confidence of consumers' expenditures in the next period.

**Private investment in August 2016 showed slowing signs. Investment in construction sector** as **cement domestic sales** contracted by -5.5 percent per year despite **real estate tax collection** increased by 4.9 percent per year. **Investment in equipment and machinery sector** showed slowing signs as **commercial car sales** contracted by -0.9 percent per year and **the imports of capital goods** contracted by -5.6 percent per year, whereas after excluding special items (airplanes, ships, and trains) the imports of capital goods contracted by -1.2 percent per year.

**For fiscal indicators in August 2016, government expenditures** particularly **capital expenditures** turned to increase comparing to a contraction in

last month. **The annual budgetary expenditure** was disbursed 149.2 billion baht, increasing by 7.4 percent per year where it composed of current expenditures which disbursed 118.8 billion baht, increasing by 1.8 percent per year and capital expenditures which disbursed 30.5 billion baht, increasing by 37.2 percent per year. **Net government revenue collection (net of local authorities' allocation)** was amounted at 208.6 billion baht, decreasing by -7.9 percent per year due to lower collection comparing to the estimation as indicated in the annual budget document by -13.0 percent as corporate income tax collection, income collection from other government services, and VAT collection were lower than the estimation. As a result, the **budget balance** showed a surplus of 27.5 billion baht.

**Export values of goods in August 2016 turned to expand in 5 months and as the highest in 6 months** since March 2016. Export values showed an expansion of 6.5 percent per year from exports of goods in manufacturing goods such as vehicles and parts, steel and steel products, air-conditioner, and semiconductor transistors and diodes such as solar panel. In addition, major export markets turned to expand as the first time in many months particularly exports to China, Japan, U.S.A., and ASEAN particularly CLMV (Cambodia, Lao LDR, Myanmar, and Vietnam).

**Supply side indicators in August 2016 showed an improvement.** The **number of inbound foreign tourists** (preliminary) was amounted at 2.87 million persons, expanding by 9.9 percent per year mainly due to tourists from China and CLMV. **Agricultural Production Index (API)** turned to decreased by -8.3 percent per year. Major crops such as paddy contracted due to the first month of harvest in wet season rice and a modification to plant in other crops as volume of water in irrigated agricultural areas declined. In addition, corn for animal feed and fruit also contracted due to the end of harvest season. Meanwhile, **Agricultural Price Index** continued to expand by 15.2 percent per year as demand of paddy, rubber, oil palm, and fruit expanded continually. **Thai Industries Sentiment Index (TISI)** in August 2016 declined for 3 months consecutively by decreasing to 83.3 points due to an anxiety in domestic purchasing power, volatility of exchange rate, and wage adjustment.

**Economic stabilities remained robust.** **Headline inflation and core inflation** were at a low level of 0.3 and 0.8 percent per year, respectively. Meanwhile, **unemployment rate** was also at a low level of 0.9 percent of total labor force or 360,000 persons. **Public debt to GDP** at the end of July 2016 stood at 42.9 percent of GDP, lower than the Fiscal Sustainability Framework of 60 percent of GDP. **The international reserves** at the end of August were high at 180.8 billion USD, or approximately 3.4 times of short-term external debt reflecting the resilient ability to risk from the volatilities in global economy.

*See Attachment for more details.*

## Attachment

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*“The Thai economy in August 2016 expanded from exports of goods which turned to a positive growth. Private consumption expanded due to an increase in farmers’ income resulting from higher growth of new motorcycle registrations. Government expenditures expanded as capital expenditures turned to a high expansion. Meanwhile, tourism sector remained surged well as inbound foreign tourists traveled into Thailand continually. However, private investment showed slowing signs.”*

**1. Private consumption improved as registration of new motorcycles** in August 2016 continued to increase for 5 months consecutively by expanding to 21.0 percent per year and expanded by 20.8 percent per month after seasonal adjustment. The motorcycle registration in Bangkok Metropolitan Region showed an expansion of 23.2 percent per year and in other regions showed expansion of 20.3 percent per year as farmers’ income increased due to an ease of drought. Similarly, **passenger car sales** in August 2016 expanded by 8.7 percent per year. Meanwhile, **farmers’ real income** in August 2016 increased with slower pace at 4.5 percent per year. **Real VAT collection** in August 2016 slightly decreased by -0.4 percent per year, real VAT collection from domestic consumption base decreased by -0.4 percent per year and real VAT from import base decreased by -0.6 percent per year. In addition, **imports of consumer goods** expanded by 5.3 percent per year and increased by 4.2 percent per month after seasonal adjustment. However, private consumptions had a positive factor from **Consumer Confidence Index** which increased to 62.2 points, the second consecutive month of improvement and highest in 5 months as the drought eased and agricultural prices and products improved continually resulting in an increase in farmers’ income.

Private Consumption Indicators	2015	2015				2016				
		Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug	YTD
Real Value Added Tax Collection (%yoy)	1.0	1.0	1.7	-0.7	2.1	0.1	3.7	0.8	-0.4	1.5
<i>%qoq_SA / %mom_SA</i>		1.1	-0.6	-1.1	2.6	-0.7	3.1	-7.8	-2.0	
Imports of Consumer Goods (%yoy)	2.2	10.8	2.0	1.5	-4.4	3.6	3.4	3.0	5.3	3.7
<i>%qoq_SA / %mom_SA</i>		0.0	-3.8	0.0	-1.1	7.8	-3.1	-2.7	4.2	
Passenger Car Sales (%yoy)	-19.1	-12.5	-27.3	-24.9	-11.7	-26.6	4.9	9.6	8.7	-7.1
<i>%qoq_SA / %mom_SA</i>		-0.4	-16.0	-4.4	9.3	-15.7	19.2	-2.0	-2.2	
Registration of new motorcycles (%yoy)	-0.2	10.9	-2.9	-10.6	2.3	-3.3	7.9	7.4	21.0	4.8
<i>%qoq_SA / %mom_SA</i>		9.2	-10.4	-3.2	8.0	3.1	0.6	-14.7	20.8	
Farmers’ real incomes (calculated by FPO)	-9.2	-4.2	-15.3	-13.8	-6.6	-11.2	1.4	16.1	4.5	-2.6
Consumer Confidence Index	64.7	68.4	64.9	61.8	63.6	63.4	61.1	61.4	62.2	62.1

**2. Private investment in overview showed slowing signs. Investment in construction** as reflected by **real estate tax collection** in August 2016 turned to increase by 4.9 percent per year and increased by 33.0 percent per month after seasonal adjustment. However, **domestic cement sales** in August 2016 continued to contract by -5.5 percent per year and **Construction Materials Price Index (CMI)** in August 2016 recorded a decrease by -3.2 percent per year as price index in steel and steel products declined due to decreasing prices of steel in world market. **Investment in equipment and machinery** as reflected by **commercial car sales** in August 2016 contracted with slower pace by -0.9 percent per year but expanded by 5.6 percent per month after seasonal adjustment. Meanwhile, **the imports of capital goods** continued to contract by -5.6 percent per year and imports of capital goods excluding special items (airplane, ship, train) contracted by -1.2 percent per year but expanded by 6.2 percent per month after seasonal adjustment.

Private Investment Indicators	2015	2015				2016				
		Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug	YTD
<u>Construction sector</u>										
Real estate tax collection (%yoy)	8.7	7.3	2.9	-0.5	22.2	6.6	12.9	-23.5	4.9	5.0
%qoq_SA / %mom_SA		-1.7	-3.0	2.3	24.1	-13.1	3.3	-18.5	33.0	
Cement sales (%yoy)	-0.4	-2.5	-0.2	-0.7	2.1	3.1	-1.6	-4.0	-5.5	-0.6
%qoq_SA / %mom_SA		0.3	1.8	-1.4	1.3	1.4	-3.0	-2.5	-1.4	
Construction Materials Price Index (CMI)	-4.9	-3.7	-4.4	-5.7	-6.6	-5.1	-2.2	-3.9	-3.2	-3.6
<u>Machinery sector</u>										
Commercial car sales (%yoy)	-2.6	-11.3	-17.3	-0.3	17.2	4.0	13.6	-6.1	-0.9	5.3
%qoq_SA / %mom_SA		-1.7	-5.8	14.4	8.4	-9.9	2.3	-5.6	5.6	
Imports of capital goods (%yoy)	-2.2	0.9	2.0	-10.8	0.2	-1.0	-11.6	-0.7	-5.6	-5.6
%qoq_SA / %mom_SA		0.3	1.2	-6.1	5.0	-0.6	-9.6	2.3	0.0	
Imports of capital goods (exclude aircraft, ship, and train) (%yoy)	-1.4	0.1	-3.6	-2.3	0.1	0.0	-5.1	-5.0	-1.2	-2.7
%qoq_SA / %mom_SA		-1.0	0.1	0.8	2.0	-1.1	-5.9	-3.8	6.2	

**3. Government expenditures particularly capital expenditures expanded** as **total government expenditure** in August 2016 was disbursed 158.7 billion baht, expanding by 7.0 percent per year. The annual budgetary expenditure was disbursed 149.2 billion baht or expanded by 7.4 percent per year as supporting factor from capital expenditure which disbursed 30.5 billion baht, highly expanding by 37.2 percent per year. **Net government revenue collection (net of local authorities' allocation)** in August 2016 was amounted at 208.6 billion baht, decreasing by -7.9 percent per year due to lower collection comparing to the estimation as indicated in the annual budget document by -13.0 percent as corporate income tax collection, income collection from other government services, and VAT collection were lower than the estimation. As a result, the **budget balance** showed a surplus of 27.5 billion baht.

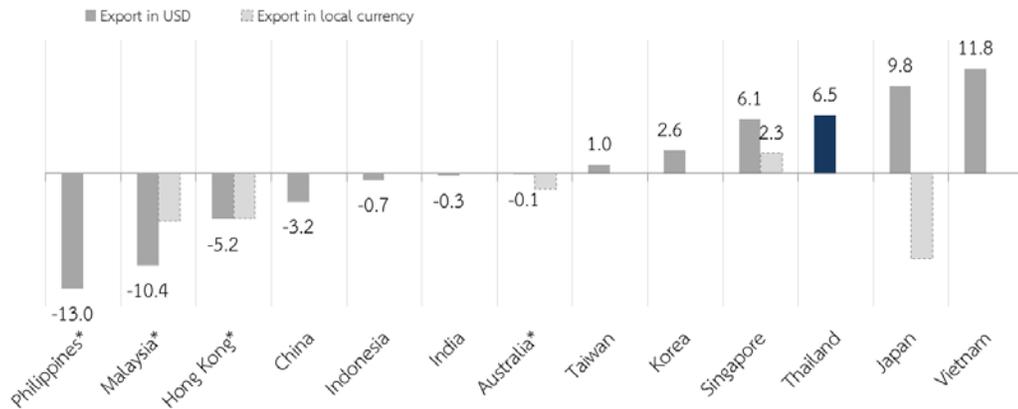
Fiscal Sector Indicators (Billion Baht)	FY2015	FY2015				FY 2016					
		Q1/ FY15	Q2/ FY15	Q3/ FY15	Q4/ FY15	Q1/ FY16	Q2/ FY16	Q3/ FY16	Jul	Aug	FYTD
Net Government Revenue (net of local authorities' allocation)	2,213.4	507.5	469.9	652.5	585.5	585.9	492.6	717.2	177.3	208.6	2,181.7
(%y-o-y)	6.7	0.8	7.5	7.2	11.0	15.5	4.8	9.9	24.5	-7.9	9.1
Total government expenditure	2,601.4	844.1	617.6	569.6	570.1	890.9	680.0	677.8	184.2	158.7	2,591.5
(%y-o-y)	5.8	1.6	11.7	10.7	1.6	5.5	10.1	19.0	-17.0	7.0	7.9
Annual budgetary expenditure	2,378.1	766.4	557.7	529.4	524.6	807.7	604.2	638.8	176.1	149.2	2,376.0
(%y-o-y)	5.9	0.7	15.6	11.1	-0.3	5.4	8.3	20.7	-15.6	7.4	7.9
Current expenditure	2,106.6	725.1	481.0	452.3	448.1	739.6	509.0	537.2	153.9	118.8	2,058.6
(%y-o-y)	7.4	12.5	7.3	8.1	-0.7	2.0	5.8	18.8	-17.3	1.8	5.0
Capital expenditure	271.6	41.3	76.7	77.1	76.4	68.1	95.1	101.5	22.2	30.5	317.4
(%y-o-y)	-4.4	-64.6	123.2	32.4	2.1	64.9	24.0	31.7	-2.0	37.2	32.3
Expenditure (last year)	223.3	77.7	59.9	40.1	45.5	83.2	75.8	39.0	8.1	9.4	215.5
Budget Balance	-394.4	-347.3	-138.9	89.4	2.3	-306.9	-203.9	70.7	-32.1	27.5	-442.1

**4. External demand as shown by exports of goods in August 2016 turned to expand in 5 months.** Exports values were amounted at 18.8 billion USD or expanded by 6.5 percent per year, highest in 6 months and expanded by 8.1 percent per month after seasonal adjustment. Major export markets showed high expansion particularly Australia, China, U.S.A. and EU, while exports to Middle East showed a contraction. Export goods showing an expansion were manufacturing goods such as vehicles and parts, and agricultural goods such as cassava, fruits, and processed chicken. Meanwhile, **imports values** were recorded at 16.7 billion USD or contracted with slower pace at -1.5 percent per year. As such the greater export values compared to that of imports resulted in the trade surplus of 2.1 billion USD.

Main trading partners (16 countries) (Export share 2014 >> 15 )	2015	2015				2016				
		Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug	YTD
Exports to the world (%yoy)	-5.8	-4.7	-5.0	-5.3	-8.1	0.9	-4.1	-6.4	6.5	-1.2
1.USA (10.5% >> 11.2%)	0.7	5.6	2.6	0.2	-4.9	-3.2	0.6	0.0	14.9	0.9
2.China (11.0% >> 11.1%)	-5.4	-14.4	1.2	-1.0	-6.3	-6.4	-10.3	-13.5	4.4	-7.4
3.Japan (9.6% >> 9.4%)	-7.7	-9.2	-3.9	-8.2	-9.6	5.7	-7.5	-8.5	5.7	-1.1
4.EU (9.2% >> 9.3%)	-5.7	-3.9	-8.4	-4.4	-5.9	-0.5	-1.0	-11.7	11.8	-0.6
5.Malaysia (5.6% >> 4.8%)	-20.2	-14.7	-18.3	-18.7	-28.5	-4.1	-12.9	-14.0	-5.9	-8.9
6.Hong Kong (5.6% >> 5.5%)	-6.2	-11.5	-9.0	-2.0	-1.9	0.6	-8.2	-5.6	-4.3	-4.0
7.Middle East (5.1% >> 4.8%)	-10.0	-6.4	-23.7	-6.4	-3.0	-9.5	-2.5	-20.6	-2.3	-7.6
8.Australia (4.8% >> 5.3%)	5.3	10.1	7.6	8.4	-3.5	5.5	12.4	4.2	24.0	10.1
9.Singapore (4.6% >> 4.1%)	-16.2	-5.4	0.3	-26.1	-31.0	22.5	-35.7	-9.6	-17.0	-11.5
10.Indonesia (4.2% >> 3.7%)	-17.6	-15.4	-20.6	-21.0	-12.7	8.9	-7.3	10.8	30.0	5.4
11.Africa (3.7% >> 3.2%)	-20.2	-14.5	-15.9	-22.1	-27.9	-11.7	-9.8	-31.2	-6.9	-13.1
12.Vietnam (3.5% >> 4.2%)	13.0	17.7	16.7	8.3	10.9	3.1	-0.1	-4.7	10.2	1.7
13.Philippines (2.6% >> 2.8%)	2.1	7.4	-3.4	-6.4	10.8	15.4	13.5	-0.6	22.4	13.6
14.India (2.5% >> 2.5%)	-5.7	6.1	-4.8	-11.5	-11.8	-9.1	-2.4	-7.1	1.1	-5.1
15.South Korea (2.0% >> 1.9%)	-9.2	0.6	-16.4	-10.7	-8.6	-9.7	-8.3	-9.6	-1.8	-8.2
16.Taiwan (1.8% >> 1.6%)	-12.0	4.7	-11.5	-15.3	-23.1	-18.1	-1.1	-19.7	5.4	-9.6
PS.ASEAN-9 (26.1% >> 25.7%)	-7.2	-2.5	-5.9	-10.6	-9.3	3.9	-10.4	-6.0	2.6	-3.0
PS.ASEAN-5 (17.0% >> 15.3%)	-15.1	-9.5	-11.8	-19.5	-19.1	9.1	-38.0	-4.9	4.2	-2.6
PS.CLMV (9.1% >> 10.4%)	7.7	10.5	5.5	7.2	7.9	-4.0	-3.5	-7.7	0.3	-3.8

However, to compare the Thai exports values with that of other countries in region, it was found that exports values of other countries contracted as well. In addition, to compare with the first 8 months of 2016, Thai exports values contracted by -1.2 percent per year, less than that of other countries in region.

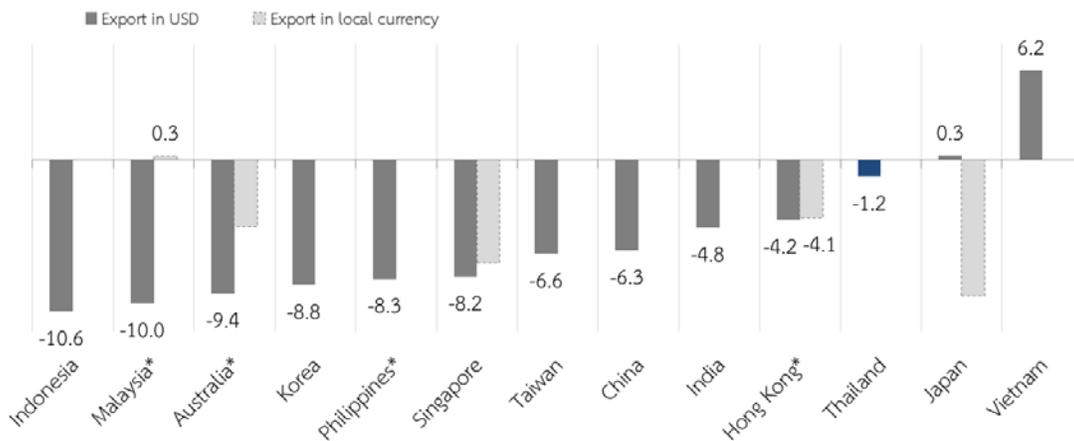
Export Growth in August 2016 (%)



\* as of July 2016

Note: The Official figures of Australia, Singapore, Malaysia, Hong Kong and Japan export are in local currency.

Export Growth January - August 2016 (%)



\* YTD Jan - Jul 2016

Note: The Official figures of Australia, Singapore, Malaysia, Hong Kong and Japan export are in local currency.

**5. Supply side indicators in August 2016 showed improving signs** as reflected by **the number of inbound foreign tourists** which (preliminary) was recorded at 2.87 million persons or expanded by 9.9 percent per year mainly due to an expansion of tourists from China and CLMV. **Agricultural Production Index** in August 2016 turned to contract by -8.3 percent per year but expanded by 0.9 percent per month after seasonal adjustment due to the first month of harvest in wet season rice and a modification to plant in other crops as volume of water in irrigated agricultural areas declined. In addition, corn for animal feed and fruit contracted due to the end of harvest season, while livestock and fishery expanded due to no epidemic. Meanwhile, **Agricultural Price Index** in August 2016 continued to expand by 15.2 percent per year and expanded 0.4 percent per month after seasonal adjustment as demand of paddy, rubber, oil palm, and fruit expanded continually. **Thai Industries Sentiment Index (TISI)** in August 2016 declined for 3 months consecutively by decreasing to 83.3 points due to an anxiety in domestic purchasing power, volatility of exchange rate, and wage adjustment.

Supply Side Indicators	2015	2015				2016				
		Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug	YTD
Agricultural Production Index (%yoy)	-4.3	2.4	-11.3	-10.5	-0.8	-6.0	-1.9	0.9	-8.3	-4.2
%qoq_SA / %mom_SA		2.4	-10.5	1.4	6.3	-2.8	-5.4	2.9	-6.9	
Thai Industries Sentiment Index (TISI) (percent)	85.8	89.2	85.2	82.7	86.0	86.0	85.6	84.7	83.3	85.4
Manufacturing Production Index (%yoy)	0.3	0.4	-0.3	0.9	0.3	-0.9	1.5	-5.1	n.a.	-0.5
%qoq_SA / %mom_SA		0.5	-2.3	1.5	0.5	0.1	0.7	-3.7	n.a.	
Number of Inbound foreign Tourists (%yoy)	20.4	22.8	36.9	24.9	3.7	15.5	8.2	10.8	9.9*	11.8*
%qoq_SA / %mom_SA		3.0	8.2	-1.7	-5.7	15.4	1.2	6.2	-4.6	

\*preliminary

**6. Internal stabilities remained favourable and external stabilities remained robust. Headline inflation** was 0.3 percent per year and accelerated from previous month as prices of fresh and processed food increased. Meanwhile, **core inflation** was 0.8 percent per year, stable from last month. **Unemployment rate** in August 2016 was at 0.9 percent of total labor force equivalent to 360,000 persons. **Public debt to GDP** at the end of July 2016 stood at 42.9 percent of GDP, below the Fiscal Sustainability Framework of 60 percent of GDP. **External stability** remained robust and reflected the resilient ability to risk from the volatilities in global economy as **the international reserves** at the end of August were high at 180.8 billion USD, or approximately 3.4 times of short-term external debt.

Macroeconomic Stability Indicators	2015	2015				2016				
		Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug	YTD
<b>Internal Stability</b>										
Headline Inflation (%yoy)	-0.9	-0.5	-1.1	-1.1	-0.9	-0.5	0.3	0.1	0.3	0.0
Core Inflation (%yoy)	1.1	1.5	1.0	0.9	0.8	0.7	0.8	0.8	0.8	0.7
Unemployment rate (% of total labor force)	0.9	1.0	0.9	0.9	0.8	0.9	1.1	1.0	0.9	1.0
Public debt (% of GDP)	44.4	43.3	42.7	43.1	44.4	44.1	42.8	42.9	n.a.	42.9
<b>External Stability</b>										
Current Account Balance (Billion USD)	31.6	8.4	6.1	6.9	10.2	16.6	8.4	3.7	n.a.	28.6
International Reserves (Billion USD)	156.5	156.3	160.3	155.5	156.5	175.1	175.5	180.2	180.8	180.8

Macroeconomic Stability Indicators	2015	2015				2016				
		Q1	Q2	Q3	Q4	Q1	Q2	Jul	Aug	YTD
Net Forward (Billion USD)	11.7	19.6	18.4	13.3	11.7	13.9	15.7	16.9	19.1	19.1
International reserves to short term external debt (times)	3.0	3.0	2.9	2.9	3.1	3.2	3.2	3.4	n.a.	3.3

The financial and fiscal measures that the Ministry of Finance has carried forward government policy and launched in September 2015 onwards would help support the economic growth of Thailand in previous year and 2016. The progress of measures until as of 26 September 2016 was summarized as follows:

**1. Project to strengthen the grass-root economy under People's State approach** through 79,556 village and urban community funds under the 35-billion-baht budget in which each village fund would be allocated budget up to 500,000 baht via the National Village and Urban Community Fund Office for investing in community infrastructure such as rice warehouse and mill, water reservoirs, and agricultural processing machines. The allocation would be also spent on various activities to enhance local workers' potential and upgrade the quality of life of residents. As of current status, Committee of the National Village and Urban Community Fund issued criteria for eligible projects and approved projects and budget for 64,909 funds worth 32,409 million baht and already transferred 29,240 million baht which was disbursed 19,735 million baht.

**2. Relief measures for drought-affected farmers and agricultural competitiveness enhancement.**

**2.1 Relief measure for drought-affected farmers: implementation of policy loan as contingency fund (The credit line of 6,000 million baht).** Loan period is for 1 year with 0 percent interest rate for the first six months, and increase to 4 percent for the remaining six months (Month 7-12). As of 20 September 2016, approved loans were amounted to 1,922 million baht to 162,574 farmers.

**2.2 "One Tambon One Agricultural SME" policy loans to promote sustainability of Thai agricultural sector (The credit line of 72,000 million baht).** Loan period is for 10 years with interest rate of 4 percent for the first seven years and apply to normal interest rate for the remaining three years (Year 8 – 10). As of 20 August 2016, loans were disbursed at 10,838 million baht to 8,342 agricultural SMEs.

**3. Short-term financial and fiscal measures to encourage SMEs competitiveness enhancement.**

**3.1 Project of Policy Loan (The credit line of 15,000 million baht).** As of current status, SME Bank approved loan worth 12,343 million baht to

4,058 SMEs and the Thai Credit Guarantee Corporation (TCG) guaranteed loans worth 11,472 million baht to 3,995 SMEs.

**3.2 Project of Policy Loan for SMEs to modify machinery and improve productivity (The credit line of 15,000 million baht).** Loan period is for 7 years with interest rate of 4 percent per year. As of 26 September 2016, approved loans were amounted to 2,108 million baht to 181 SMEs.

**3.3 Project of loan guarantee for PGS-5 (revised) (Credit 30 percent per port would be guaranteed by the Thai Credit Guarantee Corporation (TCG) with the limit of 100,000 million baht).** TCG guaranteed loans of 96,338 million Baht to 25,959 SMEs entrepreneurs.

**3.4 Micro Entrepreneurs Guarantee Scheme Phase 2 (Guarantee budget framework of 13,500 million baht).** Each micro entrepreneur could receive loan guarantee up to 200,000 baht. The guarantee would cover a loss/damage of 30-50 percent. As of 26 September 2016, The Thai Credit Guarantee Corporation (TCG) guaranteed an amount of 1,243 million baht to 11,569 Micro Entrepreneurs.

**3.5 Measure to encourage SMEs through Venture Capital** (The budget of 6,000 million baht). The Government Savings Bank approved venture capital to 3 SMEs entrepreneurs worth 70 million baht and SME Bank approved in principle for venture capital to 8 SME entrepreneurs worth 95.5 million baht which was already disbursed to 3 SME entrepreneurs worth 46 million baht.

#### **4. Financial and fiscal measures to stimulate real estate sector.**

The goals are to boost real estate sector and to help low-income earners buy houses and be homeowner.

**4.1 Loan measure for low-and medium-income earners,** the Government Housing Bank has received the applications since 19 October 2015. Lately, the Government Housing Bank approved loan to 16,205 applicants worth 22,530 million Baht.

**4.2 Soft loans for lower-income first-home buyers under People's State approach.** The objectives are to help low-income people including government servants, soldiers, policemen, and academic personnel and people with uncertain salary or freelance who have never been homeowner and this measure covers housing repair and enlargement through relaxed home loans from state-owned banks. The most updated data (as of 26 September 2016) showed that the Government Housing Bank approved loans as Post Finance to 6,719 loan applicants worth 5,714 million baht and the Government Savings Bank approved loans as Pre Finance to 2 loan applicants worth 65 million baht, and approved loans as Post Finance to 3,355 loan applicants worth 3,284 million baht.

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**Table 1: Monthly Economic Indicators**

	2015	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	YTD	
<b>External sector</b>																							
- Dubai crude oil price (US\$/barrel) /7	51.0	45.7	55.9	54.8	58.6	63.6	61.9	56.2	48.0		45.7	45.8	41.8	34.6	26.7	29.4	35.2	39.0	44.3	46.3	42.6	43.5	38.4
- Fed funds rate (%) /7	0.25-0.50	0-0.25	0-0.25	0-0.25	0-0.25	0-0.25	0-0.25	0-0.25	0-0.25	0-0.25	0-0.25	0-0.25	0-0.25	0.25-0.50	0.25-0.50	0.25-0.50	0.25-0.50	0.25-0.50	0.25-0.50	0.25-0.50	0.25-0.50	0.25-0.50	0.25-0.50
<b>Fiscal sector</b>																							
- Net government revenue (Billion baht) /1	2045.3	160.6	149.6	159.7	171.1	224.4	257.0	142.4	226.5	214.5	166.0	181.2	238.7	158.2	149.1	185.2	170.4	308.7	238.2	177.3	208.6	1383.8	
(%y-o-y) /1	7.3	2.9	0.4	20.9	25.9	-19.5	32.9	9.9	10.5	12.4	-4.4	12.1	38.7	-1.5	-0.3	16.0	-0.4	37.5	-7.3	24.5	-7.9	9.4	
- Tax collection from revenue, customs and excise dept. /12	2133.2	176.0	158.4	176.6	167.0	234.3	275.0	154.6	227.8	232.1	158.8	173.0	184.5	178.5	163.5	183.1	180.2	267.9	251.8	162.8	229.9	1388.0	
(%y-o-y) /14	3.7	7.2	1.6	11.5	8.8	-19.8	26.2	4.2	6.8	-1.4	1.7	7.1	12.2	1.4	3.3	3.7	7.9	14.4	-8.4	5.3	0.9	3.4	
- Income-based tax (Billion baht) /1	818.2	57.9	45.2	56.5	51.4	101.0	123.0	46.7	112.8	122.3	47.2	54.2	56.1	60.8	46.9	59.1	54.8	116.2	130.5	50.7	112.8	519.0	
(%y-o-y) /1	3.3	13.7	-1.2	13.5	11.4	-18.5	20.6	7.7	9.6	-4.1	5.8	-1.5	7.6	5.1	3.8	4.6	6.5	15.0	6.1	8.5	-0.1	7.7	
- Consumption-based tax (Billion baht) /1	648.0	63.0	54.7	61.0	60.8	56.5	59.8	57.5	58.0	59.3	62.2	62.1	55.8	59.6	62.3	62.5	62.3	57.2	63.4	57.8	57.6	418.0	
(%y-o-y) /1	-0.7	-2.6	-2.7	6.6	1.3	-3.8	4.0	-3.3	-4.1	0.5	-5.3	2.2	5.6	-1.4	1.9	-2.4	2.5	1.1	6.0	0.4	-0.6	1.1	
- Government expenditure (Billion baht) /1	2364.4	215.7	150.4	251.5	191.5	176.8	201.3	221.9	148.3	200.0	374.2	232.9	283.8	259.9	160.6	259.5	223.6	189.4	264.8	184.2	158.7	1700.6	
(%y-o-y) /1	7.4	1.2	-13.7	52.0	-2.2	14.6	22.3	10.8	12.2	-12.6	1.8	13.2	4.8	20.3	6.8	3.2	16.8	7.1	31.5	-17.0	7.0	9.2	
- Budget expenditure (Billion baht) /1	2180.3	197.9	131.4	228.4	178.9	164.0	186.5	208.7	138.9	177.0	359.6	209.0	239.1	241.0	138.6	224.4	211.5	176.5	250.8	176.1	149.2	1568.3	
(%y-o-y) /1	8.4	6.2	-14.7	60.8	-0.5	15.1	20.8	10.2	11.4	-16.6	4.5	15.7	-0.8	21.8	5.5	-1.7	18.2	7.6	34.4	-15.6	7.4	9.3	
- Current expenditure (Billion baht) /1	1915.0	181.1	109.7	190.2	156.1	139.5	156.7	186.1	116.7	145.4	336.1	197.5	206.0	220.8	108.9	179.4	186.3	139.6	211.4	153.9	118.8	1319.0	
(%y-o-y) /1	5.2	2.0	-22.7	47.8	-0.5	10.9	15.4	9.4	8.9	-16.5	1.8	14.9	-7.7	22.0	-0.8	-5.7	19.3	0.0	34.9	-17.3	1.8	6.7	
- Capital expenditure (Billion baht) /1	265.5	16.8	21.8	38.2	22.8	24.4	29.9	22.7	22.2	31.6	23.5	11.5	33.1	20.1	29.8	45.2	25.2	36.9	39.4	22.2	30.5	249.3	
(%y-o-y) /1	38.8	89.0	78.5	186.7	-0.5	47.2	59.6	17.2	27.2	-17.1	58.7	31.0	87.0	19.6	36.9	18.5	10.6	51.0	31.9	-2.0	37.2	25.5	
- Carry-over budget (Billion baht) /1	184.1	17.8	19.0	23.1	12.5	12.8	14.8	13.2	9.3	23.0	14.6	24.0	44.7	18.9	22.0	34.9	12.1	12.9	14.0	8.1	9.4	132.3	
(%y-o-y) /1	-3.8	-33.4	-6.4	-1.4	-21.8	8.1	46.1	22.0	25.5	37.9	-36.0	4.5	49.8	6.2	15.7	51.1	-3.4	0.8	-5.5	-39.0	1.0	7.9	
- Budgetary Balance (Billion baht) /1	-326.4	-53.6	-7.6	-77.8	42.1	-14.0	145.6	-80.9	17.2	58.1	-217.9	-94.5	-34.5	-108.0	-18.9	-77.0	-86.1	51.2	75.8	-29.6	27.5	-135.2	
<b>Supply-side indicators</b>																							
<b>Agricultural sector</b>																							
- Agricultural Production Index (%y-o-y) /6	-4.3	4.8	3.6	-1.5	-13.4	-13.0	8.3	-10.2	-11.6	-12.8	1.4	-7.3	8.9	-3.2	-5.3	-10.1	-2.7	-0.6	-2.7	0.9	8.3	-4.2	
- Agricultural Price Index (%y-o-y) /6	-5.9	-11.2	-11.2	-11.2	-11.2	-11.2	-11.2	-11.2	-11.2	-11.2	-11.2	-11.2	-11.2	-11.2	-11.2	-11.2	-11.2	6.4	3.8	16.2	15.2	3.7	
- Real farm income (%y-o-y) /14	-9.7	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	-9.6	3.8	0.9	16.1	4.5	-2.6	
- New employment in agricultural sector (%y-o-y) /3	-3.6	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1	-4.1	-10.1	-1.9	2.5	4.4	-3.6	
<b>Industrial sector</b>																							
- Manufacturing Production Index (%y-o-y) /10	0.3	0.7	1.7	-1.0	-0.1	-0.1	-0.6	2.6	0.5	-0.3	-0.8	0.3	1.4	-3.5	-1.7	2.2	0.9	2.7	1.4	-5.1	na	-0.5	
- Import value of raw materials in USD (%y-o-y) /1	-6.3	-4.4	12.7	10.2	4.8	-14.5	-0.9	0.9	-1.1	-28.1	-21.9	-10.1	-2.7	-15.3	-20.9	-11.5	-9.4	2.4	-0.7	-13.1	3.9	-8.3	
- Import volume of raw materials in USD (%y-o-y) /1	-8.9	-2.0	16.7	15.4	-0.6	-10.9	3.3	6.1	4.5	-24.0	-17.0	-5.2	3.3	-10.6	-17.8	-9.5	-7.7	3.5	-0.1	-14.1	2.0	-7.0	
- Capacity utilization (%) /10	64.7	68.8	68.3	72.2	59.2	65.5	66.1	66.4	63.7	65.9	64.9	64.8	64.0	65.1	66.9	74.3	59.5	67.5	66.7	62.3	na	66.1	
- New employment in industrial sector (%y-o-y) /3	0.7	5.1	1.2	-0.3	3.5	0.9	3.2	2.9	0.7	-2.2	0.2	-1.7	-5.8	0.3	2.3	-2.5	2.3	3.5	-3.8	-4.6	1.8	-0.1	
- Thai Industrial Sentiment Index (Index) /9	85.8	91.1	88.9	87.7	86.2	85.4	84.0	83.0	82.4	82.8	84.7	85.8	87.5	86.3	85.1	86.7	85.0	86.4	85.3	84.7	83.3	85.4	
<b>Service sector</b>																							
- No. of foreign tourists (Million persons) /11	29.9	2.6	2.7	2.6	2.4	2.3	2.3	2.7	2.6	2.0	2.2	2.5	3.0	3.0	3.1	3.0	2.6	2.5	2.4	3.0	2.9*	22.4	
(%y-o-y) /14	20.4	14.4	28.3	26.6	24.4	37.8	52.2	39.4	24.7	8.7	1.0	5.1	4.7	15.0	16.0	15.4	9.8	7.6	7.2	10.8	9.9*	11.8	
- New employment in service sector (%y-o-y) /3	2.0	-2.3	3.4	1.4	1.8	3.7	2.2	2.7	1.2	2.7	1.9	3.6	3.5	-0.6	3.6	1.4	0.4	3.3	2.5	2.5	2.1	2.1	
<b>Demand-side indicators</b>																							
<b>Private consumption indicators</b>																							
- Value added tax at constant price (%y-o-y) /1	1.0	-2.0	-2.1	7.3	2.5	-2.5	5.3	-1.8	-2.4	2.1	-3.9	3.6	6.9	-0.6	3.0	-1.6	2.9	1.7	6.5	0.8	-0.4	1.5	
- Import volume of consumer goods in USD (%y-o-y) /1	2.2	-0.2	32.5	5.2	1.0	-1.4	6.5	1.4	10.4	-5.8	-7.4	5.3	-11.0	-2.9	-4.2	18.5	-1.4	8.4	3.4	3.0	5.3	3.7	
- Sales of passenger cars (%y-o-y) /14	-19.1	-11.4	-12.5	-13.4	-24.7	-21.1	-35.4	-25.1	-24.0	-25.5	-19.5	-12.0	-5.2	-30.0	-29.9	-21.2	-11.9	8.3	19.6	9.6	8.7	-7.1	
- Sales of motorcycles (%y-o-y) /13	-0.2	14.5	0.7	-18.1	-18.4	-5.4	12.5	-23.2	-5.4	-0.7	-6.5	6.9	7.8	12.9	-11.1	-9.4	2.9	14.8	5.2	7.4	21.0	4.8	
- Consumer Confidence Index (Index) /5	64.7	69.7	68.4	67.1	66.0	65.0	63.8	62.6	61.5	61.2	62.2	63.4	65.1	64.4	63.5	62.4	61.5	61.1	60.6	61.4	62.2	62.1	
<b>Private investment indicators</b>																							
- Import volume of capital goods in USD (%y-o-y) /1	-2.2	3.4	5.9	-6.9	5.5	-5.5	6.0	-22.1	17.9	-20.6	5.4	0.5	-5.5	2.9	-11.6	6.5	-13.4	-5.4	-15.4	-0.7	-5.6	-5.6	
- Sales of commercial cars (%y-o-y) /14	-2.6	-13.7	-9.6	-10.6	-27.3	-19.7	4.5	-3.1	0.9	1.2	7.2	15.7	26.3	-2.4	1.9	11.2	12.1	26.5	4.0	-6.1	-0.9	5.3	
- Total taxes collected from real estate transaction (%y-o-y) /1	8.7	12.1	2.6	7.3	14.6	-11.5	7.7	7.2	8.4	-12.6	-7.7	25.8	40.1	-6.9	7.1	16.5	70.9	-22.6	-6.8	-23.5	4.9	5.0	
- Domestic cement sales (%y-o-y) /2	-0.4	-5.8	2.2	0.6	-3.3	-0.5	3.1	-2.0	-0.6	0.4	-0.3	2.6	4.1	-0.3	6.0	3.4	0.1	-1.1	-3.5	-4.0	-5.5	-0.6	
<b>International trade indicators</b>																							
- Exports (Billion USD): custom basis	214.4	17.2	17.2	18.9	16.9	18.4	18.2	18.2	17.7	18.8	18.6	17.2	17.1	15.7	19.0	19.1	15.5	17.6	18.1	17.0	18.8	141.0	
(%y-o-y) /4	-5.8	-3.5	-6.2	4.5	-1.7	5.0	-7.9	-3.6	-6.7	-5.5	-8.1	-7.4	-8.7	8.9	10.3	1.3	-8.0	4.4	-0.1	-6.4	6.5	-1.2	
- Export price (%y-o-y) /4	-2.3	-1.7	-1.6	-1.9	-1.9	-1.7	-1.7	-2.5	-3.1	-3.1	-2.7	-2.6	-2.7	-2.8	-2.6	-2.0	-1.4	-0.6	-0.4	0.3	0.7	-1.1	
- Export volume (%y-o-y) /14	-3.6	-1.8	-4.6	-2.6	0.2	-3.4	-6.3	-1.1	-3.7	-2.4	-5.5	-5.0	-6.2	-6.3	13.2	3.3	-6.6	-3.8	0.3	-6.7	5.8	-0.1	
- Imports (Billion USD): custom basis	202.8	17.7	16.8	17.4	17.4	16.0	18.0	17.5	16.9	16.0	16.5	16.9	15.6	15.3	14.0	16.2	14.8	16.1	16.2	16.2	16.7	125.6	
(%y-o-y) /4	-11.0	-13.6	1.5	-6.0	-6.8	-20.0	-0.3	-12.7	-4.8	-26.2	-18.2	-9.5	-9.2	-12.4	-16.8	-6.9	-14.9	0.5	-10.1	-7.2	-1.5	-8.8	
- Import price (%y-o-y) /4	-10.8	-10.8	-10.7	-11.2	-10.2	-9.5	-9.5	-10.4	-12.1	-12.6	-11.5	-11.0	-10.5	-8									